

New dollar proposal bucks up against the opposition of experts

By Roger Boye

SOME COINAGE experts have debunked the Treasury Department's proposal to mint a new small-sized dollar coin, calling the idea "preposterous" and "ill-conceived."

One such expert, David L. Ganz, fears the dollar coins would never replace the \$1 bill because they would be too bulky and heavy for most Americans. Ganz is a New York attorney who has written extensively on coinage legislation.

Of course, the Treasury Department chiefs do not share in that concern. They point out that the proposed coin would be only 10 per cent larger in diameter than the quarter and about 50 per cent heavier, a size they call practical and easy to use. And if the coin does circulate, the government could save "hundreds of millions of dollars in production and related costs over the first 10 to 15 years of the program," wrote Mint director Stella B. Hackel in a recent article in *Family Weekly* magazine.

Another Treasury official has said that each proposed copper-nickel clad coin would cost no more than three cents to make and would last for at least 15 years. A paper dollar costs about 1.7 cents to make and lasts an average of 15 months.

But Ganz and others remain unconvinced. "This presumably convenient coin has not been tested for consumer acceptance. . . . Few people have even 10 coins at a time in their pockets; it is not unusual to have eight bills. The reasons (for use of bills) are clear: convenient size, foldability, and

lack of bulky weight," Ganz wrote in *Family Weekly*.

Several executives of the vending machine industry support the proposal, but Ganz and others have pointed out that almost all of the machines would have to be converted to accept a new coin, a costly process.

The weekly coin newspaper *Numismatic News* editorially questioned whether the American consumer would rush to embrace the new coin: "The habit of carrying no coin larger than a quarter will be hard to break, unless \$1 vending machines change consumer attitudes." The paper compared some of Mrs. Hackel's recent comments with arguments made three and four years ago when the Treasury Department decided to reintroduce the \$2 bill.

Predictably, most coin collectors seem excited about the prospect of a new coin. As the officer of a suburban Chicago coin club said recently, "I remember all the hoopla when the Kennedy half-dollar came out in 1964. A new dollar coin should be great, no matter what design they put on it." (The Treasury Department wants to use a stylized Liberty head design, but some congressmen and members of women groups prefer the likeness of a person such as Susan B. Anthony, the 19th-Century crusader for women's rights.)

At any rate, the congressional committee that is holding hearings this month on the proposed coin would be well-advised to scrutinize the Treasury Department's homework. Bank vaults already are stuffed with unused \$2 bills; the department can ill afford another monetary discard.